

1 ALANNA B. CARBIS (CA Bar #264066)
2 alanna.carbis@cfpb.gov
3 LEANNE E. HARTMANN (CA Bar # 264787)
4 leanne.hartmann@cfpb.gov
5 1700 G Street, NW
6 Washington, DC 20552
7 Telephone: (415) 645-6615
8 Fax: (415) 844-9788

9 Attorneys for Plaintiff
10 Bureau of Consumer Financial Protection

11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **SOUTHERN DIVISION**

14 BUREAU OF CONSUMER FINANCIAL
15 PROTECTION,
16 Plaintiff,

17 v.

18 FUTURE INCOME PAYMENTS, LLC;
19 FIP, LLC; CASH FLOW INVESTMENT
20 PARTNERS LLC; PENSION
21 ADVANCE LLC; BUYSELL ANNUITY
22 INC.; CASH FLOW INVESTMENT
23 PARTNERSEAST LLC; CASH FLOW
24 INVESTMENT PARTNERS MIDEAST
25 LLC; LUMP SUM PENSION
26 ADVANCE ATLANTIC LLC;
27 LUMP SUM PENSION ADVANCE
28 SOUTHEAST LLC; LUMP SUM
SETTLEMENT WEST LLC; PAS
CALIFORNIA LLC; PAS GREAT
LAKES LLC; PAS NORTHEAST LLC;
PAS SOUTHWEST LLC; PENSION
ADVANCE CAROLINAS LLC;
PENSION ADVANCE MIDWEST LLC;
PENSION LOANS SOUTH LLC;
SCOTT KOHN; and DOES 1-100,
Defendants.

Case No. 8:18-cv-01654

**DECLARATION OF ALANNA
CARBIS IN SUPPORT OF
APPLICATION FOR DEFAULT
AGAINST ALL NAMED
DEFENDANTS**

1 I, Alanna Carbis, pursuant to 23 U.S.C. § 1746, declare as follows:

2 1. I am an attorney for the Bureau of Consumer Financial Protection
3 (Bureau), an agency of the United States and the Plaintiff in this lawsuit.

4 2. On September 13, 2018, the Bureau filed a Complaint for Violations of
5 the Consumer Financial Protection Act of 2010 and the Truth in Lending Act
6 (Complaint) in the United States District Court for the Central District of California
7 against Future Income Payments, LLC (formerly known as Pensions, Annuities, and
8 Settlements, LLC); FIP, LLC; Cash Flow Investment Partners LLC; Pension Advance
9 LLC; BuySellAnnuity Inc.; Cash Flow Investment Partners East LLC; Cash Flow
10 Investment Partners MidEast LLC; Lumpsum Pension Advance Atlantic LLC; Lumpsum
11 Pension Advance Southeast LLC; Lumpsum Settlement West LLC; PAS California LLC;
12 PAS Great Lakes LLC; PAS Northeast LLC; PAS Southwest LLC; Pension Advance
13 Carolinas LLC; Pension Advance Midwest LLC; Pension Loans South LLC; Scott Kohn
14 (Kohn); and Does 1-100 (collectively, FIP).

15 3. Attached hereto as Exhibit 1 is a true and correct copy of the Complaint.

16 4. The Complaint alleges that FIP violated the Consumer Financial Protection
17 Act of 2010 (CFPA), 12 U.S.C. §§ 5531, 5536(a)(1)(b), 5564, and 5565, by deceptively
18 representing that its loan product is not a loan, does not have an interest rate associated
19 with it, and is comparable to or cheaper than credit-card debt—all false and misleading
20 material representations. The Complaint also alleges that FIP violated the Truth in
21 Lending Act (TILA), 15 U.S.C. § 1638(a)-(b), and Regulation Z, 12 C.F.R. §§
22 1026.17(a)-(b)(2015), 1026.18(2015), by failing to provide consumers with required loan
23 disclosures. Finally, the Complaint alleges that FIP's TILA and Regulation Z violations
24 constitute violations of the CFPA. 12 U.S.C. § 5536(a)(1)(A).

25 5. On September 18, 2018, the Clerk of the Court issued the Summons in a
26 Civil Action (Summons) regarding the Complaint as to FIP.

27 6. Attached hereto as Exhibit 2 is a true and correct copy of the Summons.

28 7. Kohn, on behalf of all named Defendants, signed a Waiver of Service of

1 Summons on October 18, 2018. The following day, the Bureau filed the executed Waiver
2 of Service of Summons (Executed Waiver) with the Court.

3 8. Attached hereto as Exhibit 3 is a true and correct copy of the Executed
4 Waiver.

5 9. FIP's deadline to file an answer or a motion under Federal Rule of Civil
6 Procedure 12 in response to the Complaint was November 19, 2018. There is no answer
7 or Rule 12 motion on file and FIP has not requested an extension of time to file an answer
8 or Rule 12 motion.

9 10. I reached out to Kohn by phone on November 29, 2018, and left a voicemail
10 message. I never received a return call. On December 7, 2018, I sent a letter by e-mail
11 and, directed Bureau staff to send the same letter by U.S. Mail, to Kohn, informing him
12 that Plaintiff's counsel would like to know whether and how he intends to respond to the
13 Complaint. The letter also informed Kohn that if Plaintiff's counsel does not hear from
14 him by 5 p.m. Pacific Time, on December 14, 2018, the Bureau would apply for a clerk's
15 entry of default against all Defendants named in the Complaint. As of the time of filing,
16 Kohn has not responded to Plaintiff's counsel.

17 11. Attached hereto as Exhibit 4 is a true and correct copy of the letter sent to
18 Kohn on December 7, 2018.

19 12. Kohn has authority to act on behalf of all named Defendants.

20 13. Kohn is not an infant, minor, or an incompetent person.

21 14. Kohn is not currently in the military service and, therefore, the
22 Service Members Civil Relief Act, 50 U.S.C. App. § 521, does not apply.

23 I declare under penalty of perjury that the foregoing is true and correct to the best
24 of my knowledge and belief.

25
26 Dated: December 20, 2018

/s/ Alanna B. Carbis

Alanna B. Carbis

Attorney for Plaintiff

Bureau of Consumer Financial Protection